

EXHIBIT H

Pure Fraud

BY BOB NORMAN

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For Teresa Carlo, the way to cosmic serenity led through the jungle of bad intentions.

c. stiles

The house, set back off a private country road in Davie and ensconced in old palms and high-reaching tropical vegetation, has a *Sunset Boulevard* feel to it. Its dual chimneys seem as if they come from another time and place. The water in the junior Olympic-sized swimming pool is stagnant and green. There's a stillness in the air that suggests abandonment.

Inside, though, lives a once-wealthy blond widow, and she talks of how much she loves living there "almost like a hermit." Teresa Carlo, who describes herself as a spiritual person, loves the privacy of the place, which allows her to sunbathe au naturel and live life precisely as she pleases.

But during the past two years, the bulk of her fortune has been lost, and the 4,200-square-foot home has fallen into foreclosure. Carlo expects to lose the house and the 2.5 acres it sits on, just as she has lost about \$850,000 in cash, half a million dollars worth of jewelry, and a new \$76,000 special-edition Lexus convertible coupe.

All of it – the "mother lode," as she calls her lost nest egg – went to author and con artist Regina Milbourne, whose book *Miami Psychic* was released last year by publishing diva Judith Regan when she was at HarperCollins.

Carlo now knows she was tricked by a master manipulator. But her story sounds so far-fetched that even she can hardly believe it. Milbourne, a 34-year-old Rom, or Gypsy, as they are commonly known, conned her into believing that she was cursed by another psychic and

that the only way to undo it was to purify her money and possessions at a mysterious altar. She told Carlo she would give it all back.

But she didn't. And Carlo gave her almost every cent she had. At one point, the millionaire called Milbourne to tell her she barely had enough money to eat.

"Eat dog food then," Milbourne allegedly told her.

Milbourne still has Carlo's possessions, and she doesn't talk to her anymore. While this may be Milbourne's largest fortunetelling scam, it is far from her first. She has a long history of taking the hapless and gullible for their money, yet she has managed to stay out of jail, most recently with the help of what can only be described as the negligence of the Broward State Attorney's Office.

But now, Davie police Det. Jeff Corms is on the case, and he says he has drawn up felony-theft and grand-theft-auto charges against both Milbourne and her husband, Sunny Miller, in connection with the Carlo case. He expects to meet with prosecutors this week to file the charges.

"I know if I hit a jury, I'm good," the detective says. "The problem is I got to get past my state attorneys. I need to get a jury... If [Milbourne] isn't stopped, she's going to keep going, and she's going to take as many victims as she can before she's done."

The words sound good to my ears. I've been writing about Milbourne since her book came out last year. That's when I discovered that she was really a member of a notorious Gypsy clan and that her real name is Gina Marie Marks. In 1999, she'd been implicated in two fortunetelling scams that had netted her about \$110,000 in California. She wangled out of that trouble with the help of her Fort Lauderdale lawyer, Jim Lewis, who arranged to pay the victims restitution in lieu of prosecution.

In 2005, Hollywood police charged Milbourne-Marks with grand theft after she was accused of stealing \$2,500 worth of jewelry from a woman in Hollywood. Hollywood police filed the charge, but the Broward State Attorney's Office, which had not responded to me by presstime, chose not to prosecute.

After I wrote about Marks' history, new victims began contacting me. One had allegedly lost \$3,500 to Marks, another more than \$10,000. I urged them to go to the Plantation Police Department. A detective, Joe Quaregna, managed to get restitution for the first victim, but the second one had no such luck. Like most cops, though, Quaregna had never worked a Gypsy case before. There are seasoned investigators who specialize in such cases, but they are few and far between. Most cops simply aren't used to victims who *give* their money to the criminals.

Quaregna helped the victims, but Marks was still on the street – and Carlo had no idea what she was dealing with when a friend introduced her to "Regina Milbourne" in July 2005.

Carlo has long been a believer in psychics. She was a good friend of self-proclaimed clairvoyant Jill Dahne, who lives in Hollywood and is the daughter of famed "psychic" and television personality Micki Dahne. She'd paid Jill Dahne thousands of dollars over the years for readings and says she even invested \$25,000 in a proposed TV show that has yet to materialize.

But when she met Marks in 2005, Carlo, who goes by the nickname "Tree," was desperate. She was stressed about sending her then-troubled teenaged daughter to a reform school in Utah, and she couldn't seem to stop losing weight. She says she was down to 95 pounds from 130 and had "one foot in the grave." Carlo was desperate, which made her easy pickings for Marks.

It started innocently enough, with a reading at Marks' beautifully maintained Plantation Isles home, where Carlo remembers a Hummer sitting in the driveway. The fee was \$100. During a second reading, Marks laid it on thick. Jill Dahne, she told Carlo, had put a curse on her, and it was going to take every bit of both of their otherworldly energies to lift it.

The Gypsy told Marks to bring a sack of 50 fifty-dollar bills and 50 twenties (for a total of \$3,500) to her house. Carlo did so, and Marks took the money, saying she would return it after blessing it at her altar. This would be repeated six or seven times.

Marks also told Carlo about her book project and asked her if she would serve as her personal assistant for the publicity tour. Carlo agreed and actually signed a contract, though in the end she never did any work on the tour.

Those first sacks of cash didn't mean much to Carlo; she had plenty and never put a high premium on her earthly possessions. She and her first husband had two children and ran a prosperous nursery and land business in Davie. After their divorce in 1997, she got her share of what they built, leaving her a millionaire at least three times over and the owner of a small nursery. The next year, she married a banker named Jim Dougherty, who died soon after at the age of 49 of a sudden heart attack, leaving her to raise her two now-grown children.

Now a youngish 51, Carlo is a friendly, laid-back person, not necessarily someone you'd expect to hand over her fortune to a veritable stranger. But she got sucked into the drama. Believing that Marks was waging an epic battle with Dahne in the world of spirits, she kept acceding to the Markses' requests for more cash to bless at the altar. Marks manipulated Carlo into obtaining a \$400,000 mortgage on her home and handing over the money in the form of a cashier's check. Carlo then gave her another \$400,000 from her retirement account and life insurance policy, all the while believing it was going to be purified and returned.

Marks told her she would put the money in precious metals like gold and hold it for her until the curse was lifted. But that wasn't enough. Milbourne also told her she needed to purify her jewelry, so Carlo handed over about half a million dollars worth, including a top-of-the-line Rolex watch.

Marks even snookered Carlo into buying her husband, Sunny Miller, an \$18,000 watch at the Cartier store in the Town Center Mall in Boca Raton. And Marks took almost half the money from the sale of Carlo's 2002 Lexus and had her buy gift certificates for her at Saks Fifth Avenue at the Galleria Mall in Fort Lauderdale.

"I would ask her why she needed these things, and she would say, 'I will explain it later,' " Carlo says. "She said that all the time."

As if things weren't weird enough, Milbourne also told Carlo that the only way to truly purify her possessions was through a man named Paul, a Haitian whom Marks dubbed the "Voodoo King." Marks told Carlo that when she met Paul, she would have to have sex with him to seal the spiritual deal. While she says she wouldn't have slept with the Voodoo King, she was curious to meet him. It never materialized. She now wonders if Paul exists and believes Marks was just stalling for time.

Had the scamming psychic stopped there, she might have gotten away with the fortune scot-free. But when Carlo bought a special "Pebble Beach" edition 2007 Lexus 430SC hardtop convertible coupe for \$76,000 this past January, Marks wanted one too. She advised Carlo that she needed to have the red car blessed. Carlo gave her the keys in February.

Soon thereafter, Marks told Carlo she needed to sign over the title of the car to her. That way, they could trick Jill Dahne – who supposedly was watching all of this in the spiritual world – and get the car "completely blessed." Carlo signed the title over.

The entire story is patently absurd. But any specialist in Gypsy crimes will tell you that this kind of thing happens every day. It's called a confidence game – and Marks had Carlo's confidence.

As the summer approached, though, her belief in the psychic started to wane. The business with Paul had left her suspicious. And Marks would disappear for months at a time, resurfacing in strange wigs and with an altered appearance. She could also be startlingly cruel, as when she told Carlo to eat dog food.

It was a dicey game for Carlo. She'd given the woman the mother lode, after all, and didn't want to hurt her chances to get it back. But Marks kept stalling, saying she'd moved the fortune to another altar or that the Voodoo King was watching it. Finally, in June, Carlo asked her lawyer to conduct a title search on the Lexus.

Only when the results came back did she know for sure that she was being conned. The Lexus was now owned by a retired couple in Las Vegas. Carlo called Jill Dahne, who wasn't pleased with the news.

Dahne has preached against Gypsy psychics for most of her life, saying they are rip-off artists who spread across the countryside "like ants" and corrupt everything they get near.

"I had told Tree that there was no such thing as curses or voodoo, that it was all made up," Dahne says. "I couldn't believe she thought I would actually do something like that to her."

Dahne did some research on "Regina Milbourne," found my columns, and contacted me. She also urged Carlo to go to police and report the car stolen.

"I am going to get this girl – Regina, Gina, whatever her name is – off the streets, so she doesn't do this again," Dahne vows.

When Det. Corms got the case, he learned that Marks had signed the Lexus over to her husband, Sunny Miller. Miller then traded the car in at the Aero Toy Store at the Fort Lauderdale Executive Airport for a Ferrari (for which he still owes \$182,000). The car was then sold to the couple in Las Vegas, where it sits unused in their driveway because it is still listed as stolen. Marks, Carlo's mother lode still in hand, has sold her Plantation Isles home and is nowhere to be found.

The fate of Carlo, her car, and Corm's criminal case is still up in the air. Corm says the case may be a hard sell, especially since Carlo signed the title over. But that doesn't change the fact that it's an obvious crime that needs to be prosecuted.

Carlo, for her part, still has about \$1 million worth of land and assets, so she's not exactly a pauper. She hopes to save her house from foreclosure by selling the land, but she has been unsuccessful so far (a would-be buyer's financing recently fell through).

She says that the loss of the bulk of her net worth may have gutted her but that she's working through the turmoil by writing a book. It's titled *Do You Really Want to See a Psychic?*

"I have to stay positive," she says. "I saw that movie *Forrest Gump* where they say 'Stupid is as stupid does,' and I started laughing at myself. I had been protected all my life, and this has been a real learning experience."

Does she still believe in psychic ability?

"I do believe some have that power," she says. "Jill Dahne is a clairvoyant, I'm sure of that. But Regina Milbourne is just a swindler."

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